

Message Text

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ORIGIN AF-18

INFO OCT-01 ISO-00 PM-07 NSC-07 SP-03 SS-20 RSC-01 SSO-00

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DRAFTED BY AF/E: SBARRETT:SM

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FM SECSTATE WASHDC

TO AMEMBASSY ADDIS ABABA IMMEDIATE

S E C R E T STATE 154760

E.O.11652 GDS

TAGS:MASS, ET

SUBJECT: MEETING WITH PRIME MINISTER ON MILITARY ASSIST-
ANCE

REF: ADDIS ABABA 8328; STATE 091187

1. IN RESPONSE TO YOUR QUERY PARAS. 2-5 BELOW ARE TAKEN
FROM A JULY 9 STATE DEPARTMENT MEMORANDUM TO THE NSC.

2. QUOTE: ETHIOPIA IS BEING PROVIDED DOLS. 11.3 MILLION
OF MAP MATERIEL FOR FY 74, AS PROGRAMMED. DELIVERY OF
THE ITEMS IS BEING EXPEDITED TO THE EXTENT POSSIBLE.

3. FY 74 FMS CREDITS TO ETHIOPIA HAVE RECENTLY BEEN
INCREASED TO DOLS. 11 MILLION. THESE CREDITS ARE BEING
OFFERED AT CONCESSIONAL RATES (5 PERCENT ANNUAL INTEREST,
TWO YEAR GRACE AND EIGHT-YEAR REPAYMENT PERIODS). A
CREDIT AGREEMENT WAS SIGNED WITH THE ETHIOPIAN GOVERNMENT
ON JUNE 20. DUE TO THE RESTRICTION OF THE AFRICAN CEIL-
ING AND BUDGETARY RESTRAINTS, FY 75 FMS CREDITS WERE
ORIGINALLY PLANNED AT DOLS.5 MILLION; THIS AMOUNT WAS
INCLUDED IN THE CONGRESSIONAL PRESENTATION DOCUMENT (CPD).

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SUBSEQUENTLY, WHITE HOUSE MEMORANDUM 1684 REFLECTED THE

WSAG DECISION TO INCREASE "FY 74 AND FY 75 FMS CREDITS TO ETHIOPIA...BY UP TO DOLS. 6 MILLION SUBJECT TO THE AVAILABILITY OF FUNDS AND THE AFRICA CEILING." WE HAVE INFORMED THE ETHIOPIAN GOVERNMENT OF OUR DECISION AND WILL CONTINUE, IN ACCORDANCE WITH THIS COMMITMENT, TO REVIEW THE FY 75 FMS CREDIT FIGURE WITH THE AIM OF INCREASING IT TO AS HIGH AS DOLS. 11 MILLION SHOULD SUBSEQUENT DEVELOPMENTS PERMIT SUCH ACTION.

4. ETHIOPIA HAS BEEN OFFERED A CASH SALE OF DOLS. 25 MILLION OF MILITARY EQUIPMENT INCLUDING SIDEWINDERS. THE ETHIOPIAN GOVERNMENT, HOWEVER, VIEWS THE TOTAL THUS AVAILABLE (FMS CREDITS PLUS CASH SALES) AS INSUFFICIENT AND MAINTAINS THAT IT WILL NEED TO PURCHASE ADDITIONAL ARMS TO PROVIDE A "MINIMUM" ARMS PACKAGE TO MEET WHAT IT CONTENTS ARE ITS IMMEDIATE DEFENSE NEEDS. THIS REQUEST, WHICH WOULD REQUIRE ADDITIONAL ETHIOPIAN ARMS CASH PURCHASES OF DOLS. 28 MILLION (OR DOLS. 53 MILLION TOTAL CASH) WOULD PROVIDE A TOTAL PACKAGE OF APPROXIMATELY DOLS. 75 MILLION. THIS LATEST REQUEST HAS BEEN UNDER INTENSIVE DISCUSSION WITH ETHIOPIAN REPRESENTATIVES, AND IS CURRENTLY BEING REVIEWED IN LIGHT OF THE UNSETTLED INTERNAL SITUATION IN ETHIOPIA.

5. EXTENSIVE EFFORTS ARE BEING MADE TO DELIVER TO ETHIOPIA AN "IMPACT PACKAGE." THIS MONTH A C-141 IS AIR-LIFTING TO ETHIOPIA SUCH A PACKAGE CONSISTING OF 106 MM RECOILLESS RIFLES, M60 MACHINE GUNS, PISTOLS, AND AMMUNITION. IN ADDITION, ELEVEN M60 TANKS HAVE BEEN DIVERTED FROM ACTIVE U.S. MILITARY UNITS IN GERMANY AND ARE SCHEDULED TO BE SEA-LIFTED TO ETHIOPIA WITH SHIPMENT SCHEDULED IN EARLY JULY. THE DEFENSE DEPARTMENT IS URGENTLY STUDYING THE POSSIBLE DIVERSION OF OTHER EQUIPMENT FROM U.S. UNITS TO FULFILL AT LEAST PART OF THE ETHIOPIAN ARMS REQUEST. END QUOTE.

6. FYI: WE (AF) HAVE DECIDED TO RECOMMEND TO THE SECRETARY THAT HE APPROVE DOLS. 28 MILLION FURTHER CASH PURCHASES BY THE ETHIOPIANS PART OF WHICH WOULD BE USED FOR THE PURCHASE OF SOPHISTICATED WEAPONS: TOW
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MISSILES AND VULCAN ANTI-AIRCRAFT GUNS. THE ETHIOPIANS CONSIDER THE TOTAL PACKAGE, INCLUDING THE REQUESTED ADDITIONAL DOLS. 28 MILLION, TO BE A BARE BONES MIX THAT LEAVES NO ROOM FOR FURTHER TRIMMING.

7. WE ARE PRESENTLY DRAFTING GUIDANCE TO TEHRAN TO ENCOURAGE THE IRANIANS TO RESPOND FAVORABLY TO THE RECENT ETHIOPIAN REQUEST FOR FINANCIAL AND/OR MILITARY

ASSISTANCE. END FYI. KISSINGER

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